

AMENDED IN ASSEMBLY APRIL 20, 2010

AMENDED IN ASSEMBLY APRIL 5, 2010

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

## **ASSEMBLY BILL**

**No. 2004**

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### **Introduced by Assembly Member Beall**

February 17, 2010

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An act to add Section 10508 to the Welfare and Institutions Code, relating to job creation.

#### LEGISLATIVE COUNSEL'S DIGEST

AB 2004, as amended, Beall. Job creation, work incentive, and work subsidy programs.

Existing law regulates business and employment in California.

This bill, the California Civic Works Act of 2010, would declare the intent of the Legislature to enact legislation, to allow local jurisdictions to create unique solutions, as needed, to respond to California's current economic crisis.

Existing law provides for the allocation of funds received by the state from the federal Emergency Contingency Fund for State Temporary Assistance for Needy Families Programs (*TANF-ECF*), in accordance with the federal American Recovery and Reinvestment Act of 2009 (Public Law 111-5), to pay county costs for certain wage subsidy programs and nonrecurrent short-term benefit programs, as defined, notwithstanding the provisions of the existing allocation. Existing law defines needy families for purposes of these provisions. Existing law makes these provisions inoperative October 1, 2010, and would repeal the provisions on January 1, 2011.

This bill would require the State Department of Social Services to issue all-county letters or similar instructions to clarify eligibility criteria, and provide a framework for wage subsidy programs funded pursuant to the federal Emergency Contingency Fund for State Temporary Assistance for Needy Families Programs. The bill would specify other components of the all-county letters or similar instructions. ~~It would exempt income derived from participation by an adult CalWORKs recipient in a wage subsidy program from consideration as income for purposes of CalWORKs eligibility.~~ This bill would prohibit a county's eligibility to receive funding for a program operated in accordance with the bill from being limited or otherwise restricted because the county is already operating a wage subsidy program on the date that the bill is enacted.

*The bill would require the department to be prepared to launch a civic works employment program within 4 weeks of the operative date of a federal extension to the TANF-ECF program, would require the department to encourage interested counties in developing a part-time apprenticeship or preapprenticeship program for an applicant already enrolled in at least 20 hours of work subsidy, and would require the department to submit all federally mandated progress reports to specified committees of the Legislature in a timely manner.*

Under existing law, moneys from the General Fund are continuously appropriated to defray a portion of the state's share of CalWORKs costs.

This bill would provide that no appropriation would be made *pursuant to those provisions* for purposes of implementing the bill.

To the extent that it would increase the duties of counties administering the CalWORKs program this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1     SECTION 1. This act shall be known, and may be cited, as the  
2 California Civic Works Act of 2010.

3     SEC. 2. It is the intent of the Legislature to enact legislation  
4 to allow local jurisdictions to create their own unique solutions,  
5 as needed, *and consistent with this act*, to respond to the economic  
6 crisis with which California is currently struggling.

7     SEC. 3. The Legislature finds and declares all of the following:

8     (a) *The Legislature recognizes that California's unemployment*  
9 *rate remains perilously high at nearly 13 percent and that over*  
10 *two million Californians are currently unemployed, and many*  
11 *more millions are underemployed.*

12     ~~(a)~~

13     (b) In order to successfully stimulate the economy, a wage  
14 subsidy program model should include multiple layers of programs  
15 and people, and contain a workforce training element, to ensure  
16 that participants obtain jobs with career potential.

17     ~~(b)~~

18     (c) The federal government currently partners directly with local  
19 officials and nonprofit organizations, to address challenges relating  
20 to infrastructure, affordable housing, and flood protection.

21     ~~(e) (1) As an example, the Santa Clara County Department of~~  
22 ~~Social Services has created a three-tiered employment program,~~  
23 ~~which could serve as a model for other counties. Tier One is for~~  
24 ~~CalWORKs families in which an adult participant is working part~~  
25 ~~time and finishing school. Tier Two is for CalWORKs families in~~  
26 ~~which an adult participant is working full time. Tier Three is~~  
27 ~~directed toward needy families who are not CalWORKs recipients.~~

28     ~~(2) The department also has developed partnerships with~~  
29 ~~nonprofit and for-profit employers and created a tiered wage~~  
30 ~~subsidy rate structure, under which nonprofit and public~~  
31 ~~organizations receive a 100 percent wage subsidy and private~~  
32 ~~employers receive an 80 percent wage subsidy. Private employers~~  
33 ~~are expected to hire participants, and to pay 100 percent of the~~  
34 ~~wage after six months.~~

35     ~~(3) Additionally, the department selected a private firm pursuant~~  
36 ~~to a competitive bidding process, to help find employers with job~~  
37 ~~openings. In addition, the department partnered with a summer~~  
38 ~~youth program and nonprofit entities.~~

(d) The goal of the federal Emergency Contingency Fund for State Temporary Assistance for Needy Families Programs (TANF-ECF), established by the American Recovery and Reinvestment Act of 2009 (ARRA) (Public Law 111-5), is to get Americans back to work today, and the majority of the provided funds are required to be used to subsidize wages directly. In recognition of the work today, and one important use of the funds is for subsidizing employment programs for needy families, including, but not limited to, CalWORKS recipients. In recognition of the administrative costs to operate and develop the program, the federal funding scheme allows for a cost of doing business, requests a ~~20 percent local~~ 20-percent state match, and permits in-kind contributions to be used to satisfy the ~~local~~ match requirement.

(e) It is the intent of the Legislature to ensure that all Californians are benefiting from the TANF-ECF program, including, but not limited to, those who reside in counties that are currently not participating simply because they do not have the infrastructure or the technical expertise required for the start up of a program.

(f) The Legislature emphasizes the need to fund civic works jobs to build public infrastructure. The Legislature recognizes the opportunity to draw down federal funds to pay for much-needed public works upgrades, that will ultimately improve the quality of our communities and aid in the beautification of our neighborhoods. Public projects align with the TANF-ECF program because projects are ready for immediate implementation in that many local communities have a backlog of public works projects, and local funds earmarked for these purposes can be used to optimize limited funds.

SEC. 4. Section 10508 is added to the Welfare and Institutions Code, to read:

10508. (a) The department shall issue one or more all-county letters or similar instructions from the director to clarify eligibility criteria and provide a framework for wage subsidy programs funded pursuant to the federal Emergency Contingency Fund for State Temporary Assistance for Needy Families Programs, Section 603(c) of Title 42 of the United States Code.

(b) The all-county letters or instructions required under this section shall include examples of successful programs being operated by counties, and also shall address all of the following:

~~(1) A plan to relax procurement guidelines to allow counties to enter into sole-source contract agreements that meet federal procurement standards.~~

~~(2)~~

~~(1) A requirement to allow a county to receive emergency contingency funding 60 days before providing local before providing matching funds, in order to cover the initial cost of planning and developing a wage subsidy program.~~

~~(3)~~

~~(2) Incentives and guidance to encourage counties to operate summer youth youth employment programs, including, but not limited to, summer programs.~~

~~(4)~~

~~(3) Technical assistance for counties with high unemployment rates, that lack the necessary infrastructure to, including, but not limited to, available employers, to plan and implement a wage subsidy program on their own.~~

~~(5)~~

~~(4) Encouragement of multicounty and regional alignments and joint powers authorities, using economies of scale.~~

~~(6)~~

~~(5) Allowing local services agencies, workforce investment boards, and wage subsidy partners to be reimbursed for their costs of doing business for providing technical assistance to counties.~~

~~(7) Incentives for participation by nonprofit and public sector organizations.~~

~~(8) Encouragement of a tiered wage subsidy rate structure under which nonprofit and public organizations would receive a 100 percent wage subsidy and private employers would receive an 80 percent wage subsidy.~~

~~(9)~~

~~(6) Development and support of new and existing apprenticeship and preapprenticeship programs, using emergency contingency funds to the extent allowable under federal law.~~

~~(10)~~

~~(7) Encouragement and guidance to encourage counties to create various types of civic works jobs and to build public infrastructure~~

1 projects and incentives for the participation by nonprofit and public  
2 sector organizations in those programs.

3 ~~(H)~~

4 (8) Any other provision the department deems appropriate to  
5 facilitate the establishment or operation of a work incentive or  
6 wage subsidy program in accordance with this section.

7 ~~(e) Income derived from participation by an adult CalWORKs~~  
8 ~~recipient in a wage subsidy program shall not be considered income~~  
9 ~~for purposes of CalWORKs eligibility.~~

10 ~~(d) If a county is already operating a wage subsidy program on~~  
11 ~~the date that the act adding this section is enacted, operation of~~

12 (c) (1) If there is an extension of the federal TANF-ECF  
13 program, the department shall be prepared to launch, within four  
14 weeks of the operative date of the federal extension, a civic works  
15 employment subsidy program in at least five counties, including,  
16 but not limited to, those counties with the highest unemployment  
17 rates or those counties that do not operate a subsidy program due  
18 to lack of participating employers or other barriers. The  
19 department shall work collaboratively with the counties to identify  
20 local and state infrastructure projects that can be completed by  
21 persons participating in a TANF-ECF wage subsidy program.

22 (2) The civic works projects may include, but need not be limited  
23 to, all of the following:

24 (A) Building or improving infrastructure, including, but not  
25 limited to, schools, roads, hospitals, and parks.

26 (B) Energy efficiency, alternative energy, and environmental  
27 restoration projects.

28 (C) Supporting social services in areas, including, but not  
29 limited to, health care and care for the elderly.

30 (D) Workforce development to the extent permitted under federal  
31 law.

32 (E) Conservation corps of young adults, with particular  
33 emphasis on environmental and energy projects.

34 (F) Summer and after school employment or skills training  
35 opportunities for youth between 12 and 19 years of age.

36 (3) The organizations conducting the work may include, but  
37 need not be limited to, a city or county department of public works,  
38 contractors, or nonprofit organizations.

39 (d) The department shall engage counties interested in  
40 developing a part-time apprenticeship or preapprenticeship

1 *program for applicants who are already enrolled in at least 20*  
2 *hours of a work subsidy program and shall provide counties with*  
3 *guidance and flexibility, to the extent permitted under federal law,*  
4 *in operating the program.*

5 *(e) Nothing in this section shall require changes to county*  
6 *subsidized employment programs existing immediately preceding*  
7 *January 1, 2011. If a county is already operating a wage subsidy*  
8 *program immediately preceding January 1, 2011, operation of*  
9 *that program shall not limit or otherwise restrict the county's*  
10 *eligibility to receive funding for a program operated in accordance*  
11 *with this section.*

12 ~~*(e) The department shall provide the Legislature with statistical*~~  
13 ~~*information, including, but not limited to, county participation,*~~  
14 ~~*number of jobs, type of employers, and quality of employment,*~~  
15 ~~*by also submitting*~~

16 *(f) The department shall submit all federally mandated progress*  
17 *reports to the Senate and Assembly human services committees,*  
18 ~~*for their review and comment in a timely manner.*~~ Section 9795  
19 *of the Government Code shall not apply to this subdivision.*

20 SEC. 5. No appropriation under Section 15200 shall be made  
21 for purposes of implementing this act.

22 SEC. 6. If the Commission on State Mandates determines that  
23 this act contains costs mandated by the state, reimbursement to  
24 local agencies and school districts for those costs shall be made  
25 pursuant to Part 7 (commencing with Section 17500) of Division  
26 4 of Title 2 of the Government Code.